

**TESTIMONY OF
THE HONORABLE STEVE LARGENT
PRESIDENT AND CEO
CTIA – The Wireless Association™**

**U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON ENVIRONMENT AND HAZARDOUS MATERIALS**

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Chairman Gillmor, Ranking Member Solis, and members of the Subcommittee, thank you for the opportunity to appear before you today to testify on the issue of electronic waste and the appropriate role of government, be it local, state, or Federal, to address this matter. As a Member of Congress, I had the privilege of serving on this Subcommittee for six years. The experience and insight I gained formulating national environmental policy has proven invaluable as I work with CTIA's member companies to minimize the environmental impact of discarded mobile phones and related accessories. CTIA – The Wireless Association™ and its members have been committed to the goal of sustainable development in the wireless industry and the environmentally sound management of discarded, recycled, or refurbished wireless mobile phone products.

CTIA's Comprehensive, Voluntary Reuse and Recycling Program

CTIA members are at the forefront of providing consumers with wireless products and services that facilitate communications wherever and whenever. Concurrent with the industry's business goal of providing ubiquitous wireless

coverage, CTIA members recognize that one of our responsibilities as good corporate citizens is a commitment to environmental stewardship. This commitment is reflected in the industry's voluntary disposal recycling program – Wireless...The New Recyclable.

Wireless...The New Recyclable

What is “Wireless...The New Recyclable?” It is a multi-faceted program the wireless industry launched in October of 2003 to facilitate environmentally sensible management of wireless products at end-of-life. The initiative provides a voluntary and uniform set of guidelines allowing manufacturers and carriers to upgrade the management of their environmental practices in the disposition of used wireless devices. It has been embraced and adopted by numerous CTIA members, including all of the national carriers and mobile phone manufacturers.

The program guidelines incorporate all aspects of the recycling process: collection, transportation, re-use, refurbishment and materials reclamation.

Public Outreach and Awareness

“Wireless...The New Recyclable” is designed to inform, educate, and encourage consumers to recycle their “end-of-life” wireless products through a wide range of company initiatives and incentives. In particular, the program focuses the public's attention on the importance and ease of recycling wireless devices by 1) supplying the wireless industry with public awareness materials, such as posters and bill stuffers, to reinforce the message to recycle wireless devices and; 2) directing

consumers to www.recyclewirelessphones.com, a central website that provides consumers with important information on the recycling of wireless products and links to CTIA member company sites which provide information on where consumers can recycle phones.

CTIA Environmental Principles

“Wireless...The New Recyclable” incorporates CTIA’s ten environmental principles that set forth the wireless industry’s commitment to sustainable development and the proper management of wireless devices at their end-of-life. The principles are listed on the second page of a handout that I’ve included with my testimony.

Voluntary Guidelines

The guidelines assist companies in ensuring that the wireless devices that are collected are managed, transported and reused, refurbished or recycled in a responsible way and in accordance with federal and state environmental laws. Promoting the re-use, refurbishment or recycling of wireless devices minimizes waste destined for landfills or incineration. Just as importantly, the recycling guidelines facilitate the recovery of raw materials that are then used in the manufacture of new products.

Cell Phones are Different From Other Electronics

A key aspect of any re-use or recycling program is the collection of the product. The industry has been able to establish effective voluntary collection

programs that are a function of the small size and portability of mobile phones and mobile devices. These voluntary programs include collection at municipal centers, return of products to service providers or other retailers, or mail-in returns to manufacturers. The size and relative lack of portability of most other electronics products, such as TVs and computers may not practically or economically allow for this range of collection options.

For example, Verizon Wireless has a program that collects cellular telephones in retail outlets and accepts the return of its products via mail through the charitable program, *HopeLine*SM; this program offers these collected products to help the victims of domestic violence. T-Mobile's *Give More, Get More* accepts used phones through the mail and donates 100% of the recycling proceeds to charitable organizations. Cingular, SprintNextel, and other companies also collect previously used wireless phones and donate either the refurbished phones or the proceeds from the programs to charitable organizations. Finally, The Wireless Foundation, a charitable organization created by CTIA, has sponsored collection events and charitable programs, such as Donate-a-Phone®.

Size, Portability, and Reduced Environmental Impacts

Wireless handset manufactures have responded to consumers' preference of the "less is more" approach when it comes to the development of new mobile phones. One only has to look at the size of mobile phones ten years ago juxtaposed to the size of phones being manufactured today to see the tremendous strides the industry has made not only in technological capabilities, but also environmental

compatibility. The new generation of wireless devices weigh approximately 42% less than earlier models and are being constructed in a more environmentally friendly manner. As mobile phone and device manufacturers comply with the European Union's Restriction of Hazardous Substance (RoHS) Directive, we also see the reduction of hazardous materials such as lead and cadmium in wireless phones marketed in the United States.

We anticipate that the design changes required for sale in, or import to, the European Union will also be applied to products marketed and sold in the United States. Such design changes will facilitate recycling and reuse and further reduce any potential environmental impacts from the recycling or disposal of mobile phones or mobile devices.

Markets Exist for Used Mobile Phones and Mobile Devices

The market for used mobile phones and mobile devices is different from most of the electronics industry. Mobile phones have a relatively high re-use value creating an ongoing market for these devices; therefore, the market forces providing incentives to collect and re-use these devices would be more efficient than for other electronics products. This is evidenced by the current efforts of ReCellular and HOBI International, Inc., two for-profit companies established to collect and refurbish used telephones for return to the market. The operation of for-profit companies is unusual in the electronics recycling and reuse market and is a clear indication of the strength of the market for wireless device reuse.

Close Contact Between Consumers and Service Providers

Unlike most electronics manufacturers and retailers, wireless service providers and consumers are typically in close contact during mobile phone or mobile device replacement and billing. This contact presents the opportunity for efficient and cost-effective collection. Many wireless customers return to a service provider or independent agent to replace their devices. Moreover, through monthly billing, service providers are in communication with their customers on recycling and re-use options. This readily available occasion for re-use or recycling opportunities is not common to most other electronics industries.

Success of “Wireless...The New Recyclable®”

Carriers, recyclers, and refurbishers are all in the process of evaluating the best way to expand and assess the success of their respective recycling and/or refurbishing programs. With that being said, I can share with the Subcommittee the following statistics:

- ReCellular, a refurbisher, has collected approximately four million phones in 2004, up from 1.5 million in 2002.
- Nextel has collected 4.4 million phones since 2002. Nextel also has refurbished 2.3 million phones since 2002.
- The Wireless Foundation’s take-back programs have collected nearly three million phones since 1999.
- Verizon Wireless has collected approximately two million phones through their HopeLineSM charitable donation program.
- GRC Wireless Recycling has collected approximately one million phones since 2001.

- Old Cell Phone Co. reportedly buys back 30,000 used cell phones a month, and has been doing so since 2002.
- RMS Communications Group collected one million phones in 2004, and has been collecting phones for the past ten years.
- eBay reportedly sells 130,000 used phones a month on its website, and has sold approximately four million phones over the past five years.

State-By-State Regulation is Unworkable

Mobile phones and mobile devices are a consumer product in national commerce best addressed at the national level. The re-use and recycling of these wireless devices present issues unlike those presented by traditional state solid waste management and disposal. The size, marketing and re-use and recycling options available for wireless devices are also distinct from other types of electronics. In our view, a voluntary, industry-supported national program will facilitate the re-use and responsible recycling of wireless devices regardless of where the devices are purchased or where the devices wind up.

The re-use and recycling of mobile phones and mobile devices is a national environmental challenge. We believe that state-by-state regulation is counter-productive and a one-size fits all national approach is not workable for the entire electronics industry. Rather, this challenge demands a comprehensive, voluntary national solution tailored to address the issues raised by mobile phone and mobile device end-of-life. Consumers and industry are already confronting inconsistent state requirements, as evidenced by the inconsistent take-back, financing and manufacturing requirements already enacted in California and pending in several

other states. Absent a definitive federal endorsement of a voluntary national recycling program, it seems that a piecemeal and inconsistent network of state regulatory programs will be the default solution. The wireless industry fears that a state-by-state system would lead to regulatory uncertainty and confusion, high compliance costs, and the inefficient use of resources, all of which combined will lead to increased costs for consumers and a much less efficient and effective take-back program, particularly for wireless providers and manufacturers that serve multiple markets. The environmental benefits of such an approach are also questionable.

Wireless consumers will pay, either directly or indirectly, for inefficient and inconsistent state regulatory programs. Increased regulatory costs will invariably be passed through to the consumer as a result of an increase in product costs.

It's unfortunate, but true, that regulatory systems simply cost more and those states that choose to adopt such programs will incur potentially significant costs, at both the state and local level, to implement a mandatory regime, including costs of collection, administration, oversight and enforcement. Again, consumers will ultimately pay for these increased costs through local taxes.

Working with industry to promote product reuse and recycling on a national level will help the United States in its efforts to work with other nations in finding environmentally sound, effective, workable solutions to address the increasing volume of used wireless devices elsewhere. A piecemeal state-by-state approach will leave the United States without a strong basis for a leadership role in the international discussion on recycling issues.

EPA and Department of Commerce Can Play An Important Role In Assisting Industry To Take The Lead On Promoting Product Stewardship

The EPA has an established record of comprehensive, voluntary re-use and recycling programs. EPA's programs, such as "Waste Wise" and "Resource Conservation Challenge," are good examples of government/industry partnerships designed to produce environmental results without the need for new regulation. In May of 2004, EPA issued national guidelines for the management of 'end-of-life' electronics.

Additionally, EPA has worked with states and industry for several decades in developing national markets for traditional recycled materials, such as aluminum, glass and paper. The Department of Commerce has expertise in technology and markets. We believe mobile phones and mobile devices demand a comprehensive, voluntary national program for re-use and recycling that takes into account the unique characteristics of mobile phones and mobile devices and we are committed to working with the EPA and the Department of Commerce to continue to promote the industry's initiative, "Wireless...The New Recyclable" – a program with a proven track record of success in protecting our nation's environment.

Thank you for the opportunity to share the wireless industry's views on this important issue, I welcome any questions you may have.

